

PROJECT STATUS REPORT					REPORTING PERIOD			
NOTE: See instructions on reverse side.					October, 1955			
2. CRYPTONYM		3. DIVISION OR BRANCH		4. COUNTRY		5. APPROVAL	BY	DATE
A. PROJECT	B. SUB-PROJECT	EE/A		TARGET	BASE	ORIGINAL	DD/P	7 Aug 53
CRGROOND				Austria	Austria	LAST RENEWAL		
6. NAME OF CASE OFFICER		ROOM NO.	EXTENSION	SIGNATURE OF CASE OFFICER				
		2305 X	8391					
7. TYPE OF PROJECT	PP	X	PM	FI				
8. PERSONNEL		PROJ. T/OPOSITIONS	ASSIGNED PERSONNEL		9. FUNDS FOR CURRENT FISCAL YEAR			
STAFF AGENTS		Ibne	None		A. CURRENT PROJ. CEIL.	B. CUM. ALLOTMENT	C. EST. CUM. OBLIGATIONS	
CONTRACT PERSONNEL		None	None		\$ 95,100	\$ 40,000	\$ 4,240.96	
10. a. Action Reported by Field:								
(1) <u>Caching</u>								
<p>The last of three E &amp; E caches, emplaced for use by ORBLAUND personnel, has been recovered. These caches were recovered because the agent on whose property they were cached has been terminated. (ORBLAUND is the western segment of the E &amp; E line).</p>								
<p>An air reception kit has temporarily been cached in the barn of one of ORBLAUND's chief organisers, pending a decision as to where the kit should be permanently cached.</p>								
<p>ORLAUNCH's W/T sets were exhumed and replaced with new equipment this past summer. Several errors in the original distribution of sets were noted and rectified. (ORLAUNCH is a PW organisation nucleus located in central and western Austria.)</p>								
(2) <u>Communications</u>								
<p>Two dead drop sites have recently been documented by ORLAUNCH/2 which serve to complete the ORLAUNCH east to west courier lines.</p>								
(3) <u>Evasion and Escape</u>								
<p>ORBLAUND/2, one of the segment's chief organisers, has spotted and assessed three persons for the positions of segment manager working under him. One of these three, ORBLAUND/25, has been recruited and will soon receive some training in connection with his duties. Another candidate, ORBLAUND/23, has been recruited as manager for a part of the ORBLAUND line, and the Air Reception kit mentioned above will be cached for his wartime use.</p>								
<p>The ORREPAIR case officer has in preparation the recruitment of four additional managers for the ORREPAIR segment of the E &amp; E line. (ORREPAIR is the central segment of the E &amp; E line.)</p>								
(4) <u>Guerrilla Warfare</u>								
<p>Reconnaissance of Drop Zones and Landing Zones is being continued by ORLAUNCH/2, the project's deputy principal agent.</p>								
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(5) Resistance

CRGROOND/1 spotted and case officer recruited CRGROOND/2, the second asset for the Salzburg Resistance Group. A nucleus of five persons, one of them a W/T operator, is considered as the desirable size of this resistance group. (CRGROOND/1 is a single agent in Salzburg and until now, has been the only asset in the intended Salzburg group.)

(6) Training

CRNEPAIR/5 completed his home W/T training with the Instructograph and demonstrated his sending and receiving ability to his case officer. Case officer was pleased with the agent's progress and will schedule the agent for more advanced W/T training as soon as it can be arranged.

Since the closing of Salzburg Operations Base, the problem of who will provide W/T training and where for the GRLAUNCH W/T candidates has been explored by case officer with his superiors. Since case officer had been assured by GRLAUNCH/1, the principal agent, that all GRLAUNCH candidates could travel to Munich for their training, it has been decided to obtain training facilities in the Munich area.

(7) Administration

GRLAUNCH/1, the principal agent, was offered and accepted a year's contract. This contract will enable the agent, a medical assistant, to remain in Munich rather than move to Vienna, a situation considered desirable by both the Field and Headquarters.

A memorandum of oral agreement with GRLAUNCH/2, the project's principal agent, has been written up by the Field. This memorandum has been written because no previous record of any statement setting forth the terms of GRLAUNCH/2's employment could be located in the Field. The memo represents a compilation of information designed to be the basis of our working relationship with the agent rather than a statement of explicit agreements made with the agent.

A new Project Outline for CRGROOND has been requested of the Field, not only because a project renewal is due, but particularly because of an anticipated reorientation of the project's plans and policies resulting from Austria's new independent status.

(8) FI aspects

The Field has proposed that the CRDAGCOR organization be utilized to effect a long-range penetration of the Austrian Communist Party. Headquarters has stated to the Field that such a plan is not necessarily impossible or undesirable, but has recommended that other avenues of approach to this target be considered in order to arrive at the most desirable and feasible method and/or organization.

b. Action Reported by Headquarters:

In addition to the GRDAGGER dispatch mentioned in para. (a) (3) above, Headquarters has informed the Field that too many recruitments in the E & E line segments GRISLAMED and GRREPAIR are planned. Our PM policy for at least the immediate future is to reduce the acquisition of agents to only W/T operators or candidates for the few E & E line areas presently not staffed.

(d) Security Factors

Headquarters has sent an extensive GRDAGGER dispatch to the Field, discussing in detail numerous aspects of the project, in particular the increase in knowledge within the GRDAGGER organization of one another's participation and duties. The recommendation has been made that no additional personnel be made knowledgeable of any part of the GRDAGGER organization from now on with the possible exception of new W/T operators or 2-3 potential guerrilla warfare leaders to be trained each summer.